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## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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Federal Communications Commission
Office of the Secretary

In the Matter of

Advanced Television Systems and Their Impact on the Existing Television Broadcast Service MM Docket 87-268

## REPLY COMMENTS OF THE CORPORATION FOR PUBLIC BROADCASTING

The Corporation for Public Broadcasting ("CPB") hereby files its Reply Comments in the above-referenced proceeding. CPB's response to the Comments filed by various cable and satellite broadcast interests is set forth in the Reply Comments filed jointly by the National Association of Public Television Stations and the Public Broadcasting Service, incorporated by reference and attached hereto as Attachment 1. Those Reply Comments point out that while it is premature to determine whether a single or multiple transmission standard should be permitted to develop among the various video services, the Commission must ensure that regulatory actions do not enable advanced television service ("ATV") to develop in a manner that places over-the-air television at a competitive disadvantage. In addition, CPB supports the Comments of National Public Radio, which urge the Commission to consider radio's spectrum needs for digital audio transmission ("DAT") when it assesses spectrum options for ATV.

In its Comments, National Public Radio ("NPR") described the developments taking place in digital audio transmission. DAT is to radio what high definition TV is to television -- a major technological step forward, an improvement in quality so noticeable that it marks the beginning of a new era for the medium. As NPR explained, DAT requires more spectrum than is presently made available for AM or FM transmission. One DAT system in development assumes that the interstitial television channels currently unusable for television broadcast could be used, without interference, for DAT by local radio stations. However, even this solution to radio's spectrum shortage could be eliminated by action taken to make spectrum available for ATV or private land mobile services. It is essential, therefore, that the Commission integrate its efforts to find spectrum for DAT with its consideration of spectrum needs for over-the-air ATV and private land mobile services.

Several broadcast interests, including CPB, urged the Commission to move expeditiously to find a way for over-the-air television to offer ATV because of the competitive threat posed by the likely introduction of MUSE technology for cable, VCRs and DBS in the early 1990's. Yet, the urgency to find spectrum for over-the-air DAT is comparatively greater, considering that radio's competitors -- CD's and cassette tapes -- already use digital technology. The search

for a solution to radio's need to remain competitive by offering DAT quality service should not be delayed or prejudiced by the equally important search for an over-the-air ATV standard. The Commission should consider both problems together, to ensure a comprehensive and complementary solution.

Arthur Pankopf Susan Dillon

CORPORATION FOR PUBLIC BROADCASTING 1111 16th Street, N.W. Washington, D.C. 20036 955-5288

January 19, 1988

## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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## REPLY COMMENTS OF THE NATIONAL ASSOCIATION OF PUBLIC TELEVISION STATIONS AND THE PUBLIC BROADCASTING SERVICE

The National Association of Public Television Stations and the Public Broadcasting Service (jointly referred to herein as "Public Television") hereby respond to the Comments filed by various parties urging the Commission to include the technical requirements and constraints of cable television and direct broadcast satellites in its consideration of advanced television transmission standards ("ATV"), and to permit distinct transmission standards to develop for each video medium. Public television urges that the Commission should take no action that would place any of the video services -- terrestrial, cable, or direct broadcast satellite television -- at a competitive disadvantage. Similarly, the Commission should take no action that will unduly burden consumers in their ability to receive ATV service from the various video media. We submit that it is premature to determine whether these two objectives would be better served by a single or multiple transmission standards among the various media.

Several parties representing cable and broadcast satellite interests urge the Commission to permit more than one ATV transmission standard to develop and permit terrestrial broadcast, cable and satellite services each to deliver an ATV service of as high quality as its technical attributes allow. For example, the Satellite Broadcasting and Communications Association ("SBCA") argues:

If the FCC decides to adopt technical standards for terrestrial HDTV broadcasting, it should not impose those standards on satellite HDTV broadcasting. Each medium of delivery has different features and different constraints, and each should be allowed to evolve in its own way. . . . [T]he market should be as free from standardization as possible, to allow consumers to be the ultimate decision makers.

These parties appear to be concerned that in its consideration of terrestrial television's requirements and constraints in providing ATV service, the Commission will somehow place cable and DBS services at a disadvantage. They therefore urge the Commission not to regulate ATV service in a manner that would prevent them from providing the best ATV

<sup>&</sup>lt;sup>1</sup>Comments of SBCA at 2-4. Similarly, NCTA urges that "[e]ach distribution medium should have the opportunity to maximize its delivery capabilities in order to serve its customers," and that "the Commission should not preclude the development of multiple transmission and display modes by selecting a single standard at this early stage in HDTV development." Comments of NCTA at 8-9. See also Comments of Hughes Communications Galaxy, Inc. at 3-4.

service possible, even if it is perceptibly better than the ATV service over-the-air television will be able to provide.<sup>2</sup>

The primary concern of this proceeding should be to ensure that over-the-air television stations are able at all times to offer ATV service of quality competitive with that offered by cable and DBS services. As Public Television demonstrated in its Comments, if terrestrial television is unable to offer ATV service of competitive quality, over time it will become an obsolete service, depriving the public of the only video service that is free, universally available, and locally-oriented. The loss of terrestrial television service would decrease the diversity of programming sources available to the public, undercutting one of the Commission's primary policies, and one that is derived from the First Amendment. To ensure that the public has access to the widest possible diversity of programming sources, the

<sup>&</sup>lt;sup>2</sup>Time, Inc. goes even further and argues that terrestrial television should be confined to an enhanced NTSC standard using only 6 MHz to allow for easy use by cable of over-the-air signals. This is a barely-disguised argument in favor of holding terrestrial broadcasting back, so that its competitors can conveniently use its programming, while they offer a higher quality ATV service. Confining broadcast television to a second class system so that it can be more easily used as a mere feeder service exploited by its competitors, while permitting those competitors to achieve the highest possible quality, would tilt the playing field against broadcast television so severely as to almost ensure the eventual demise of over-the-air service.

<sup>&</sup>lt;sup>3</sup>See, Carriage of Television Broadcast Signals by Cable Television Systems, 1 FCC Rcd 864 (1986); Policy Statement on Comparative Broadcast Hearings, 1 F.C.C.2d 393 (1965); cf. National Citizens Committee for Broadcasting v. FCC, 436 U.S. 775 (1978).

Commission must take action in this proceeding to ensure that the development of ATV services by the various video media does not occur at the expense of terrestrial television's ability to offer a signal that is perceived to be at least as good as that offered by its competitors.

On the other hand, while it is too early in this process to determine how the needs of cable and DBS services should be treated, the public interest in program diversity would not be served by Commission action that places any of the video services at a competitive disadvantage. Various comments filed by the cable and satellite broadcasting interests demonstrate the interdependence of the cable and satellite services with terrestrial television. Both groups described ways in which regulation designed with terrestrial television's needs in mind could affect them adversely by making it difficult or impossible to use terrestrial television's signals. It is similarly in terrestrial television's interest to be carried by local cable systems. With or without must-carry regulation, ATV standards that would make such carriage difficult would disadvantage both cable and terrestrial television, and, ultimately, the public they attempt to serve. It is in everyone's interest, therefore, for the Commission to consider the needs and limitations of all of the video services in determining how to enable terrestrial television to offer a competitive ATV service.

In assessing whether to permit multiple transmission standards to develop among the various video services, the Commission must also consider another essential element: the effect of its decisions on consumers' ability to obtain the necessary reception equipment. If multiple standards would mean multiple converters, unreasonably expensive "smart" receivers, or both, the advantages to the various industries of being able to achieve their highest technological potential would mean undue disadvantages for the public, for whom these dramatic advances are intended.

However, it is far too early to make a judgment as to the desirability of a single video standard versus multiple transmission standards for the various video services, as requested by the cable and satellite commenters. All that is certain at this point is that the Commission should ensure that ATV service is not developed in a manner that so disadvantages one video service as to threaten the viability of that service, and thus diminishes the public's ability to receive the widest possible diversity of program sources. Similarly, while it is too early to assess whether multiple transmission standards for the various media would adversely affect consumers, the Commission must consider as paramount consumers' need for relatively simple and inexpensive reception equipment.

As we argued in our Comments, however, it would be a mistake to permit multiple standards to develop within the terrestrial television service. A single terrestrial broadcast standard is most likely to permit the most efficient development of the best possible system, while causing the least disruption and cost burden for consumers.

Respectfully submitted,

/s/

Baryn S. Futa Martha Malkin Zornow

NATIONAL ASS'N OF PUBLIC TELEVISION STATIONS 1818 N Street, N.W. Washington, D.C. 20036 887-1700

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Paula A. Jameson Barbara S. Wellbery Louise Lynch

PUBLIC BROADCASTING SERVICE 1320 Braddock Place Alexandria, Va. 22314 739-5063

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